

Amended Serial No. 49931  
APPLICATION FOR PERMIT

Nº 49931

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JUN 18 1986  
Returned to applicant for correction JUL 15 1986  
Corrected application filed AUG 13 1986  
Map filed AUG 13 1986

The applicant Pegasus Gold Corporation  
Suite 400, 801 Riverside Avenue, of Spokane,  
Street and No. or P.O. Box No. City or Town  
Washington 99201, hereby make s application for permission to appropriate the public  
State and Zip Code No.  
waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) Nevada Corporation  
Incorporated on January 20, 1978

1. The source of the proposed appropriation is underground  
Name of stream, lake, spring, underground or other source
2. The amount of water applied for is 1.14 second-feet  
One second-foot equals 448.83 gals. per min.  
(a) If stored in reservoir give number of acre-feet
3. The water to be used for mining, milling, domestic  
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:  
(a) Irrigation, state number of acres to be irrigated  
(b) Stockwater, state number and kinds of animals to be watered  
(c) Other use (describe fully under "No. 12. Remarks"  
(d) Power:  
(1) Horsepower developed  
(2) Point of return of water to stream
5. The water is to be diverted from its source at the following point in the NW¼ of the NW¼ of  
Describe as being within a 40-acre subdivision of public  
Section 11, T31N, R33E, or at a point from which the NW corner of  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
Section 11, T31N, R33E bears N 80°32'W a distance of 584.6 feet.
6. Place of use 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38, and 39  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.  
T31N, R33E, M.D.B. & M.
7. Use will begin about January 1 and end about December 31, of each year.  
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled well, pump and pipeline  
State manner in which water is to be diverted, i.e. diversion structure, ditches and  
to place of use.  
flumes, drilled well with pump and motor, etc.
9. Estimated cost of works \$75,000

10. Estimated time required to construct works 2 years  
 If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water will be used in a heap leach operation. Water from this well will be comingled with wells 1 through 5 (Permits 48996 through 49000) and #7. Total combined consumptive use from the 7 wells will not exceed 1.14 cfs or 268,060,000 gallons per year.

By s/Forrest L. Fox  
Forrest L. Fox, Agent  
 Hydro-Search, Inc.  
 333 Flint Street  
 Reno, NV 89501

Compared cc/jm pm/se

Protested

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 48996, 48997, 48998, 48999, 49000, 49931, 49932 and 50312 shall not exceed 268 million gallons annually.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and

not to exceed 1.14 cubic feet per second, but not to exceed 268

million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before September 11, 1988

Proof of completion of work shall be filed on or before October 11, 1988

Application of water to beneficial use shall be made on or before September 11, 1990

Proof of the application of water to beneficial use shall be filed on or before October 11, 1990

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed NOV 28 1988 IN TESTIMONY WHEREOF, I PETER G. MORROS

Proof of beneficial use filed NOV 29 1990 State Engineer of Nevada, have hereunto set my hand and the seal of

my office, this 24th day of September,

Cultural map filed

Certificate No. 13240 Issued JAN 30 1992

A.D. 19 87

Peter G. Morros  
 State Engineer

## (PERMIT TERMS CONTINUED)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.